

New text is underlined;  
Deleted text is in [brackets]

## NYSE American Rules

\*\*\*\*\*

### Trading of Option Contracts

\*\*\*\*\*

#### Section 900NY. Rules Principally Applicable to Trading of Option Contracts

*Rules with a “P” modifier are operative for symbols that are trading on the Pillar trading platform. If a symbol is trading on the Pillar trading platform, a rule with the same number as a rule with a “P” modifier will no longer be operative for that symbol. The Exchange will announce by Trader Update when symbols are trading on the Pillar trading platform.*

\* \* \* \* \*

#### Rule 971.1NY. Single-Leg Electronic Cross Transactions

*This Rule is not applicable to trading on Pillar.*

\* \* \* \* \*

(b) CUBE Auction Eligibility Requirements. All options traded on the Exchange are eligible for the CUBE Auction. For purposes of determining whether a CUBE Order is eligible to initiate an Auction, references to the National Best Bid or Offer (“NBBO”) or Exchange Best Bid or Offer (“BBO”) refer to the quoted market at the time the Auction is initiated. The time at which the Auction is initiated shall also be considered the time of execution for the CUBE Order and the execution of orders in the Auction shall qualify as exceptions to Trade-Through Liability, pursuant to Rule 991NY(b)(5) and (9). An Initiating Participant may initiate a CUBE Auction provided all of the following are met:

\* \* \* \* \*

(5) CUBE Orders submitted when there is insufficient time for an Auction to run the full duration of the Response Time Interval[during the final second of the trading session in the affected series] are not eligible to initiate an Auction and shall be rejected, along with the Contra Order.

\* \* \* \* \*

#### Rule 971.1NYP. Single-Leg Electronic Cross Transactions

(a) CUBE Order. A CUBE Order is a Limit Order submitted electronically by an ATP Holder (“Initiating Participant”) into the Customer Best Execution Auction (“CUBE Auction” or “Auction”) that the Initiating Participant represents as agent on behalf of a public customer.

broker dealer, or any other entity. The minimum size requirement for a CUBE Order is one contract.

(1) The Initiating Participant guarantees the execution of the CUBE Order by submitting a contra-side order (“Contra Order”) representing principal interest or non-Customer interest it has solicited to trade solely with the CUBE Order at a specified price (“stop price”) or by utilizing auto-match or auto-match limit features as described in paragraph (b)(1) of this Rule. The stop price and any use of auto-match or auto-match limit are not displayed.

(A) CUBE Orders may be entered in one cent (\$0.01) increments regardless of the MPV of the series involved. Contra Orders may be priced in one cent increments when specifying the stop price or the auto-match limit price (as described in paragraphs (b)(1)(A) and (b)(1)(C) of this Rule).

(2) Initiation of Auction. For purposes of determining whether a CUBE Order is eligible to initiate an Auction, references to the NBBO or Exchange BBO refer to the quoted market at the time the Auction is initiated. The time at which the Auction is initiated will also be considered the time of execution for the CUBE Order and the execution of orders in the Auction will qualify as exceptions to Trade-Through Liability, pursuant to Rule 991NY(b)(5) and (9).

(3) The “initiating price” for a CUBE Order to buy (sell) will be the lower (higher) of the CUBE Order’s limit price or the NBO (NBB), except as provided in paragraph (b)(5) of this Rule.

(4) The “range of permissible executions” of a CUBE Order to buy (sell) includes prices equal to or between the initiating price as the upper (lower) bound and the NBB (NBO) as the lower (upper) bound, provided that if there is Customer interest in the Consolidated Book at the Exchange BB (BO), the lower (upper) bound of executions will be the higher (lower) of the Exchange BB plus one cent (BO minus one cent) or the NBB (NBO). The range of permissible executions may be adjusted based on certain updates to the Exchange BBO during an Auction as follows.

(A) The range of permissible executions of a CUBE Order to buy (sell) will be adjusted in accordance with updates to the Exchange BB (BO) during the Auction, provided that the Exchange BB (BO) updates without crossing the upper (lower) bound of permissible executions.

(B) CUBE Orders, once accepted, will never execute outside the range of permissible executions, and will never trade through their own limit price. Unrelated quotes and orders that participate in the Auction will never trade through their own limit price.

(b) CUBE Auction Eligibility Requirements. All options traded on the Exchange are eligible to be part of the CUBE Auction. An Auction will be initiated provided all of the following conditions are met:

(1) The Initiating Participant marks the CUBE Order for Auction processing, and specifies one of the following means of guaranteeing the execution of the CUBE Order:

(A) Stop price. The “stop price” is the price at which the Initiating Participant guarantees the CUBE Order. A stop price must be executable against the initiating price of the Auction. A stop price specified for a CUBE Order to buy (sell) that is below (above) the lower (upper) bound of the range of permissible executions will be repriced to the lower (upper) bound. A stop price specified for a CUBE Order to buy (sell) that is above (below) the initiating price is not eligible to initiate an Auction and both the CUBE Order and the Contra Order will be rejected; or

(B) Auto-match. The Initiating Participant may specify that for a CUBE Order to buy (sell) the Contra Order will automatically match the price and size of all RFR Responses that are lower (higher) than the initiating price and within the range of permissible executions; or

(C) Auto-match limit. The “auto-match limit price” is the best price at which the Initiating Participant is willing to trade with the CUBE Order. An auto-match limit price must be executable against the initiating price of the Auction. The Contra Order for a CUBE Order to buy (sell) will automatically match the price and size of all RFR Responses that are priced lower (higher) than the initiating price down (up) to the auto-match limit price. An auto-match limit price specified for a CUBE Order to buy (sell) that is below (above) the lower (upper) bound of the range of permissible executions will be repriced to the lower (upper) bound. An auto-match limit price specified for a CUBE Order to buy (sell) that is above (below) the initiating price is not eligible to initiate an Auction and both the CUBE Order and the Contra Order will be rejected.

(2) CUBE Orders to buy (sell) with a limit price below (above) the lower (upper) bound of executions specified in paragraph (a)(4) of this Rule are not eligible to initiate an Auction and will be rejected, along with the Contra Order.

(3) CUBE Orders submitted before the opening of trading are not eligible to initiate an Auction and will be rejected, along with the Contra Order.

(4) CUBE Orders submitted when there is insufficient time for an Auction to run the full duration of the Response Time Interval are not eligible to initiate an Auction and will be rejected, along with the Contra Order.

(5) CUBE Orders for fewer than 50 contracts will be rejected when the NBBO is one cent (\$0.01) wide, unless the Initiating Participant guarantees the execution of the CUBE Order to buy (sell) at a price that is equal to the NBO minus one cent (NBB plus one cent) and there is no displayed Customer interest in the Consolidated Book at the NBB (NBO).

(6) CUBE Orders submitted when the NBBO is crossed will be rejected.

(7) CUBE Orders submitted during a trading halt are not eligible to initiate an Auction and will be rejected, along with the Contra Order.

(c) Auction Process. One or more CUBE Auctions in the same series may occur at the same time. If multiple CUBE Auctions in a series are running concurrently, the Auctions will conclude sequentially, based on the time each CUBE Auction is initiated, unless an Auction concludes early, per paragraph (c)(3) of this Rule. At the time each CUBE Auction concludes, the CUBE Order will be allocated against all eligible RFR Responses available at the time of conclusion. In the event there are multiple Auctions underway that are each terminated early, the Auctions will be processed sequentially based on the time each CUBE Auction is initiated. Once commenced, the CUBE Order (as well as the Contra Order) may not be cancelled or modified, and will proceed as follows:

(1) CUBE Auction Request for Responses (“RFR”) and Response Time Interval

(A) Upon receipt of a CUBE Order, the Exchange will send an RFR to all ATP Holders who subscribe to receive RFR messages. The RFR will include an AuctionID and will identify the series, the side and size of the CUBE Order, and the initiating price.

(B) The “Response Time Interval” means the period of time during which responses to the RFR may be entered. The Response Time Interval will last for a set duration within parameters determined by the Exchange and announced by Trader Update. The minimum/maximum parameters for the Response Time Interval will be no less than 100 milliseconds and no more than one (1) second.

(C) Any ATP Holder may respond to the RFR, provided such response is properly marked specifying the price, size and side of the market (“RFR Response”). Any RFR Response to a CUBE Order to buy (sell) priced below (above) the lower (upper) bound of executions will be repriced to the lower (upper) bound of executions and is eligible to trade in the Auction at such price. The Auction will accept RFR Responses as follows:

(i) GTX Order – A GTX Order is a non-routable order with a time-in-force contingency for the Response Time Interval, which must specify price, size and side of the market. GTX Orders may include an AuctionID to respond to a specific CUBE Auction.

(a) GTX Orders will not be displayed on the Consolidated Book or disseminated to any participants. For purposes of trading and allocation with the CUBE Order, GTX Orders will be ranked and prioritized as Priority 2 - Display Orders, per Rule 964NYP(e).

(b) The minimum price increment for GTX Orders will be one cent (\$0.01), regardless of the MPV for the series involved in the Auction.

(c) A GTX Order will cancel after trading with the CUBE Order to the extent possible.

(d) GTX Orders may be cancelled or modified.

(e) A GTX Order will be rejected when priced higher (lower) than the initiating price of a CUBE Order to buy (sell), or if there is no contra-side CUBE Auction being conducted when such GTX Order is submitted.

(f) A GTX Order priced below (above) the lower (upper) bound of executions for a CUBE Order to buy (sell) will be repriced to the lower (upper) bound of executions, as specified in paragraph (a)(4) of this Rule.

(ii) Unrelated quotes and orders – Quotes and orders on the opposite side of the market in the same series as the CUBE Order that are not marked GTX, that are received during the Response Time Interval or resting in the Consolidated Book when the Auction commences, and that are eligible to participate within the range of permissible executions specified for the Auction pursuant to paragraph (a)(4) of this Rule will also be considered RFR Responses.

(a) Quotes and orders received during the Response Time Interval that are not marketable against the NBBO and are not marked GTX will be posted to the Consolidated Book or otherwise processed in accordance with order instructions (i.e., IOC Orders will cancel).

(b) Quotes and orders received during the Response Time Interval that are on the same side as the CUBE Order to buy (sell) and are priced higher (lower) than the initiating price will be posted to the Consolidated Book and will result in an early conclusion of the Auction pursuant to paragraph (c)(3) of this Rule.

(c) Quotes and orders that are not marked GTX can only be priced in the MPV for the series in the Auction. A quote or non-GTX Order submitted with a one cent (\$0.01) MPV when the series has either a five cent (\$0.05) or a ten cent (\$0.10) MPV will be rejected as invalid.

(2) Conclusion of Auction. The CUBE Auction will conclude at the end of the Response Time Interval, unless there is a trading halt in the affected series or if the CUBE Auction ends pursuant to paragraph (c)(3) of this Rule. At the conclusion of the Auction, including if there is a trading halt in the affected series, the CUBE Order will execute pursuant to paragraph (c)(4) of this Rule. The residual of RFR Responses (excluding

GTX Orders) after the CUBE Auction will be processed in accordance with Rule 964NYP (Order Ranking, Display, and Allocation).

(3) Early Conclusion of Auction. A CUBE Auction will conclude early only if, during the Auction, the Exchange receives an unrelated non-marketable order or quote on the same side of the market as the CUBE Order to buy (sell) that would adjust the lower (upper) bound of the range of permissible executions to be higher (lower) than the initiating price. If there is an early conclusion of the Auction, the CUBE Order will execute pursuant to paragraph (c)(4) of this Rule.

(4) Allocation of CUBE Orders. When a CUBE Auction concludes, including if it ends early, CUBE Orders will be allocated as follows.

(A) Customer Priority. Consistent with Rule 964NYP(j), for execution with the CUBE Order, at each price, first priority is given to Customer RFR Responses, followed by non-Customer RFR Responses ranked Priority 1 - Market Orders (each, "Priority 1 Interest"), with next priority given to Customer RFR Responses ranked Priority 2 - Display Orders ("Priority 2 Customer Interest"), followed by non-Customer RFR Responses ranked Priority 2 - Display Orders. Third priority is afforded to Customer RFR Responses followed by non-Customer RFR Responses ranked Priority 3 - Non-Display Orders.

(B) Allocation.

(i) Time. RFR Responses of Customers ranked Priority 1 and Priority 2, as well as all RFR Responses ranked Priority 3, will trade with the CUBE Order based on time per Rule 964NYP(j).

(ii) Size Pro Rata. RFR Responses of non-Customers ranked Priority 1 and Priority 2 will be capped at the CUBE Order size for purposes of size pro rata allocation per Rule 964NYP(i).

(C) Surrender Quantity. An Initiating Participant that guarantees a CUBE Order with a stop price (per Rule 971.1NYP(b)(1)(A)) has the option of designating a "Surrender Quantity" and receiving some percentage less than the 40% participant guarantee. If the Initiating Participant elects a Surrender Quantity, and there is sufficient contra-side interest equal to or better than the stop price to satisfy the CUBE Order, the CUBE Order executes against the Contra Order up to the amount of its Surrender Quantity. Absent sufficient size of contra-side interest equal to or better than the stop price, the Contra Order will trade with the balance of the CUBE Order at the stop price regardless of its Surrender Quantity. Surrender Quantity information is not disseminated to other market participants and may not be modified after it is submitted.

(D) RFR Responses and Contra Order Allocation. At a price, RFR Responses are allocated in accordance with paragraphs (c)(4)(A) and (B) above. The allocation

to the Contra Order, if any, depends on the method by which the CUBE Order was guaranteed.

(i) Stop price. For a CUBE Order to buy (sell), the CUBE Order will execute as follows:

(a) First, with RFR Responses priced below (above) the stop price, beginning with the lowest (highest) price within the range of permissible executions.

(b) Any remaining contracts of the CUBE Order will execute at the stop price, first with all Priority 1 Interest, then with Priority 2 Customer Interest, followed by the Contra Order. At the stop price, the Contra Order will receive an allocation of the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response), or the Surrender Quantity if one has been specified. Next, any remaining CUBE Order contracts will be allocated first among remaining RFR Responses at the stop price. If all RFR Responses are filled, any remaining CUBE Order contracts will be allocated to the Contra Order.

(c) If there are no RFR Responses, the CUBE Order will execute against the Contra Order at the stop price.

(ii) Auto-match. For a CUBE Order to buy (sell), the CUBE Order will execute as follows:

(a) The Contra Order will be allocated contracts equal to the aggregate size of all other RFR Responses at each price level starting with the lowest (highest) price at which an execution against an RFR Response occurs within the range of permissible executions, until a price point is reached where the balance of the CUBE Order can be fully executed (the “clean-up price”). If the Contra Order meets its allocation guarantee at a price below (above) the clean-up price, it will cease matching RFR Responses.

(b) At the clean-up price, any remaining contracts of the CUBE Order will execute against all Priority 1 Interest, then with Priority 2 Customer Interest, followed by the Contra Order. The Contra Order will receive additional contracts required to achieve an allocation equal to the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response). If there are other RFR Responses at the clean-up price, the remaining CUBE Order contracts will be allocated first among RFR

Responses. If all RFR Responses are filled at the clean-up price, any remaining CUBE Order contracts will be allocated to the Contra Order at the initiating price.

(c) If there are no RFR Responses, the CUBE Order will execute against the Contra Order at the initiating price.

(iii) Auto-match limit. For a CUBE Order to buy (sell), the CUBE executions will occur as follows:

(a) First, with RFR Responses at each price level priced below (above) the auto-match limit price within the range of permissible executions, beginning with the lowest (highest) price.

(b) Next, with RFR Responses at a price equal to the price of the Contra Order's auto-match limit price, and if volume remains, to prices higher (lower) than the auto-match limit price. At each price level equal to or higher (lower) than the auto-match limit price, the Contra Order will be allocated contracts equal to the aggregate size of all other RFR Responses. If the Contra Order meets its allocation guarantee at a price below (above) the clean-up price, it will cease matching RFR Responses.

(c) At the clean-up price, any remaining contracts of the CUBE Order will execute against all Priority 1 Interest, then with Priority 2 Customer Interest, followed by the Contra Order. The Contra Order will receive additional contracts required to achieve an allocation of the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response). If there are other RFR Responses at the clean-up price, the remaining CUBE Order contracts will be allocated first to RFR Responses. Any remaining CUBE Order contracts will be allocated to the Contra Order at the initiating price.

(d) If there are no RFR Responses, the CUBE Order will execute against the Contra Order at the initiating price.

**Commentary:**

.01 Concurrent Single-Leg and Complex CUBE Auctions involving the same option series. A single-leg CUBE Auction for a series and a Complex CUBE Auction pursuant to Rule 971.2NYP (Complex Electronic Cross Transactions) for a Complex Order that includes the same option series may occur concurrently. To the extent there are concurrent CUBE Auctions for a specific option series, each CUBE Auction will be processed sequentially based on the time each CUBE Auction commenced. At the time each CUBE Auction concludes, including when it



concludes early, it will be processed pursuant to Rule 971.1NYP(c)(4) or Rule 971.2NYP(c)(4), as applicable.

.02 The following conduct will be considered conduct inconsistent with just and equitable principles of trade:

(a) An ATP Holder entering RFR Responses to a CUBE Auction for which the ATP Holder is the Initiating Participant.

(b) Engaging in a pattern and practice of trading or quoting activity for the purpose of causing a CUBE Auction to conclude before the end of the Response Interval Time.

(c) An Initiating Participant that breaks up an agency order into separate CUBE Orders for the purpose of gaining a higher allocation percentage than the Initiating Participant would have otherwise received in accordance with the allocation procedures contained in paragraph (c)(4) of this Rule.

(d) Engaging in a pattern and practice of sending multiple RFR Responses at the same price that in the aggregate exceed the size of the CUBE Order.

.03 CUBE executions will always be reported to OPRA as “stopped” trades.

.04 AON CUBE Auctions. Except as provided below, an AON CUBE auction will be subject to the provisions of Rule 971.1NYP. A CUBE Order of at least 500 contracts can be designated as AON (an “AON CUBE Order”) and unlike non-AON CUBE Orders, such AON CUBE Orders may only be guaranteed by a specified stop price. A Contra Order that guarantees an AON CUBE Order is not eligible to designate a Surrender Quantity of its guaranteed participation.

(a) An AON CUBE Order to buy (sell) will execute in full with the Contra Order at the single stop price even if there is non-Customer interest priced higher (lower) than the stop price that, either on its own or when aggregated with other non-Customer RFR Responses at the stop price or better, is insufficient to satisfy the full quantity of the AON CUBE Order.

(b) The Contra Order will not receive any allocation and will be cancelled if (i) RFR Responses to sell (buy) at prices lower (higher) than the stop price can satisfy the full quantity of the AON CUBE Order or (ii) there is Customer interest to sell (buy) at the stop price or better that on its own, or when aggregated with RFR Responses to sell (buy) at the stop price or prices lower (higher) than the stop price, can satisfy the full quantity of the AON CUBE Order. In either such case, the RFR Responses will be allocated as provided for in paragraphs (c)(4)(A) and (c)(4)(B) of this Rule, as applicable.

(c) The AON CUBE Order and Contra Order will both be cancelled if there is Customer interest to sell (buy) at the stop price or better and such interest, either on its own or when aggregated with RFR Responses to sell (buy) at the stop price or at prices lower (higher) than the stop price, is insufficient to satisfy the full quantity of the AON CUBE Order.

(d) Prior to entering an agency order on behalf of a Customer into the CUBE Auction as an AON CUBE Order, Initiating Participants must deliver to the Customer a written notification informing the Customer that such order may be executed using the CUBE Auction. Such written notification must disclose the terms and conditions contained in this Commentary .04 and must be in a form approved by the Exchange.

\* \* \* \* \*